Expert-Grup
Independent Think-Tank

Monthly review of Moldovan economy and policy
Real Economy
Issue 36 February 28, 2013

Authors of this edition:

- Ana Popa
- Adrian Lupușor
- Valeriu Prohnițchi

Real Economy is a monthly economic review, tracking the most important economic evolutions and policy developments in Moldova. Its readers are policymakers, CEOs of domestic and international companies and banks, representatives of the international institutions and foreign embassies, political parties and economic journalists.

Acronyms and abbreviations: y-o-y - year on year; q-o-q - quarter on quarter; m-o-m – month on month; e-o-p – end of period; Q4:07 – fourth quarter 2007; Jan:09 – January 2009; NBS – National Bureau of Statistics; NEA – National Employment Agency; NBM – National Bank of Moldova; MDL – Moldovan leu (national currency); p.p. - percentage points.

EXPERT-GRUP is a Moldovan independent think-tank whose mission is to create a working environment in which free and non-trivial thinking thrives in order for the institution to be a leading source of unbiased economic analysis and to effectively advocate for innovative ideas and solutions to the economic problems that Moldova encounters along its path of economic transformation, societal development and European integration.

Date de contact:

a.: MD-2012, Moldova, Chişinău, str. Columna 133, oficiul 1

t.: 373 22 -930014

f.: 373 22 -929994

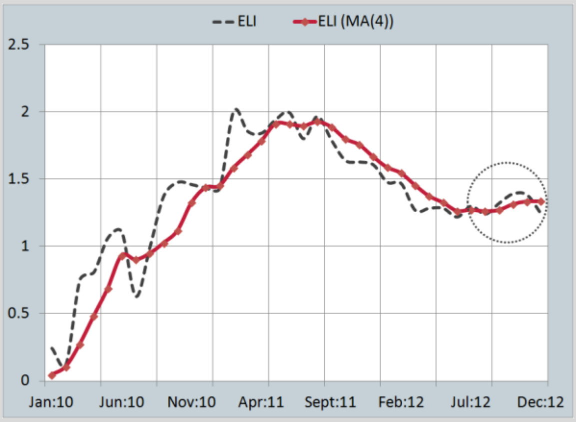
e.: info@expert-grup.org

w.: www.expert-grup.org

Evolution of the Economic Leading Indicator

The end of 2012 brought a mix of worrisome and optimistic news regarding the macroeconomic conditions. On the bright side, the economic downturn ended. On the dark one, the growth prospects are quite bleak. In Dec:12 the 4-months moving average of the Economic Leading Indicator (ELI), remained at the previous month level, suggesting a forthcoming economic stabilization. Nevertheless, the unfiltered time series of ELI marked a visible decline over Nov:12 and Dec:12. Despite the overall ambiguity of macroeconomic trends, the expected recovery in 2013 will be driven by the compensatory growth in agricultural production, as well as to some extent, by slightly better economic conditions in EU than in 2012.

Chart 1. Economic Leading Indicator, raw data and 4-Months Moving Average



Source: EXPERT-GRUP calculations based on NBS, NBS and Logos-Press;

Except for the brightening of economic weather outside and of natural weather inside the country, there are few domestic forces which could drive a robust economic growth in the short- and medium terms. In Dec:12, all but one ELI's components declined. The banks' lending activity brought the harshest drop, owing to both supply- and demand-side factors, as banks and firms are more risk-averse. This worsened credit portfolios for two reasons: (i) bad loans accumulate due to difficult financial situation of debtors; (ii) fewer new loans do not allow credit portfolios to absorb the "toxic" assets. Nevertheless, we believe that during 2013 the banks' credit supply will revert to a positive though tepid growth on the ground of better economic prospects, as opposed to the previous year.

A major source of concern comes from the exporters to CIS countries. We observe an economic slowdown in this region, as well as a declining competitiveness of Moldovan producers on the Russian market. Importantly during the last months EU consolidated its positions as the main foreign outlet for Moldovan producers, confirming a moderate improvement in economic situation in most of EU countries. However, it was not reflected in the amount of money transfers from abroad (proxy for remittances), as (i) labor markets usually lag behind the business cycle, and (ii) the persistence of recession in countries where most of Moldovan workers reside (Italy, Spain and Portugal).

On the upside, there are two ELI components which brought more optimism: (i) money in circulation remained robust as the opportunity cost of holding money decreased, and (ii) banking spread shrunk to almost pre-crisis level, boding well for a certain recovery in lending in 2013.

All in all, the economic leading indicator suggests that in the near future the Moldovan economy will be back to a positive, but still modest economic growth.

■ Key economic figures and data

Agriculture. New figures highlight the heavy fallout from the severe drought in summer 2012: according to a statement from the National Beekeeping Association, between 20% and 30% of the bees' families in Moldova risk of starving out[1]. This is an important figure, considering that honey is one of the few Moldovan products of animal origin allowed on the EU markets. While the statement has been afterwards criticized by the representatives of the Ministry of Agriculture and Food Industry as not being true[2], we are inclined to believe that Association statement reflects closer the reality. In any case, we expect more farmers to meet problems related to feeding the livestock in first two quarters. At the same time, the mid-term prospects for the agricultural sector are good: according to most recent estimates of the State Hydrometeorological Service, the forecasted reserves of soils humidity for the beginning of the vegetation period in 2013 represent 100-130% of the multi-year norm[3].

Industry. According to the most recent data on industrial production, in 2012 the industrial output fell 3.1% y-o-y, with some more upbeat developments in Dec:12 compared to Nov:12. The mining industry has shown once again its high volatility: after registering 17% growth y-o-y in Nov:12, in Dec:12, the sector receded 50% y-o-y. After a long period of steady growth, in Jan:13 the industrial prices index fell against Dec:13 by 0.8%.

Services. In 2012 both number and length of stay of incoming and outgoing tourists have remarkably increased. In general, number of tourists went up by 5%, while the average length of stay, by 8.1%. Outgoing tourism for business and professional purposes registered the most visible growth of 53% for number of tourists and 57% in average duration of stay abroad. Annual data on trade and services have also become available, according to which the retail trade registered a 0.5% reduction in turnover, while services provided to population expanded by 3.1%. The wholesale trade and business-oriented services displayed more negative developments (-2.5% and -1.3% accordingly).

Constructions. The sector evolved negatively in 2012, with the volume of undertaken construction works declining around 4%. While the residential constructions have remained on the positive path (+2.5% y-o-y), the non-residential constructions suffered the heaviest blow (-12%), with the engineering works registering a milder decline of 1.9%.

Business activity. An interesting figure has been released by the State Registration Chamber: there were 6273 new firms legally registered with the Chamber in 2012, down from 6740 in 2011. While the number of firms registered in Chisinau declined 2.6%, in regions, the number of registered firms dropped 13%. These data reflect the worsening economic confidence and business climate in 2012, with conditions particularly harsh in the regions. It is also confirmed by the investments in long-term assets which in 2012 dropped by 4.1% y-o-y.

Households' income and expenditures. In the last month of the year the transfers in favor of natural persons from abroad decreased slightly (1%), but the growth remained positive for the whole year, 3.5%. The share of Russian Ruble in total transfers increased in 2012 up to 24%, from 12.2% in 2011. The share of USD declined from 42.2% to 38.9%, while that of EUR from 41.6% to 37.1%, reflecting the growing role of Russia as key destination for Moldova migrants, with the outlook remaining slightly negative for EUR in 2013-2014.

Public finance. In Jan:13 the state budget revenues increased by 7.6% y-o-y, owing primarily to fiscal collections which posted a healthy growth of 16.2%. It was primarily driven by incomes from VAT (+15.2%), direct taxes (+67.7%) and custom duties (18.8%). Excises registered a moderate growth of 3.6%, despite the tax hikes enacted in Jan:13. The public revenues were just 94% of the planned level, which was mainly determined by the fact that only 19.8% of the planned foreign grants were disbursed to the state budget in the first month of the year. It should serve as a worrisome sign for public officials about several important issues: (i) the local absorbing capacity of grants; (ii) the financial difficulties of the major donors due to the current weak economic situation all over the world; and (iii) the financing through foreign grants is not sustainable in the long-run.

Labour market. The average monthly salary for 2012 was 3477.7 MDL. While the real growth was of 4.1%, it was 2% lower than the level forecasted for 2012. In Dec:12, the highest increase was registered in public administration sector (by 27.5% y-o-y) and hotels and restaurants (by 21.6% y-o-y). However, the situation on the labour market is

---

[1] "One in every five bee families will die before the new honey harvest", declaration of Mr. Stefan Condratiuc, Chairman of the National Beekeeping Association for the Info-Prim Neo press-agency, http://www.info-prim.md/?x=20&y=52553.

[2] "Declarations of the Chairman of the National Beekeeping Association fall far from reality", http://www.maia.gov.md/libview.php?l=ro&idc=52&id=15456

[3] http://meteo.md/mold/zapasvlagi2013.htm

not likely to change in early 2013 as it will be under the prolonged impact of the drought in the agricultural sector from the last year.

Prices. In Jan:13 the consumer price index grew by 0.8% m-o-m, being mainly driven by foodstuffs (+1.6%), while the non-foodstuffs and services had a much lower contribution (0.4% and, respectively, 0.3%). It primarily owed to the seasonal increase in prices for vegetables and dairy products. The annual headline inflation grew slightly to 4.6%, with the main contribution of foodstuffs given the drought repercussions from the previous year. Particularly, it is related to vegetables and fresh fruits which in Jan:13 were by 32.0% and, respectively, 11.5% more expensive as compared to the same period of 2012.

Monetary policy. In Jan:13, the cost-push inflationary factors continued to prevail, as the core inflation remained below the annual CPI (3.9%, as compared to 4.6%). Given the weak domestic demand and the need to ensure appropriate conditions for the economy to take off, the Central Bank maintained an accommodative stance of its monetary policy: the policy rate was kept at the historic low of 4.5%, which is by only 0.4 p.p. above the inflation rate for the end of 2013 and by 0.8 p.p. – above the level targeted for the end of 2014. Instead, NBM resorted to other instruments for anchoring the inflationary expectations: (i) liquidity sterilization operations, and (ii) interventions on the domestic foreign currency market. Thus, in Jan:13 the amount of sold NBM certificates increased by 24.3% y-o-y, while in Dec:12 the central bank purchased an equivalent of USD 47.3 million. All in all, both current and the projected annual CPI remains within the targeted interval, revealing the optimality of the monetary policy stance.

Financial indicators. In Jan:13, the total new loans were by 9.0% lower y-o-y, owing to credit contraction for firms (-21.5% in national currency and -8.2% in foreign currency). At the same time, the new loans granted to households visibly increased: by 32.1% and 32.7% in national and, respectively, foreign currencies. The average interest rates for households increased to 14.23% for national and 8.48% for foreign currencies in Jan:13, while the interest rates for firms went down a bit to 11.59% and, respectively, 7.63% for national and foreign currencies. Total new deposits decreased by 14.7%, owing primarily to the short-term ones (up to 5 months). Consequently, the maturity structure of banks' liabilities improved, as the share of "long-money" borrowed by banks increased.

Exchange rates. In Jan:13, the average nominal exchange rate of the national currency depreciated with respect to the US dollar by 0.5% m-o-m. It was mainly caused by domestic factors, as on the international market during the same period of time the US dollar depreciated by 1.5% with respect to Euro currency. The main reason is the correction after the seasonal strengthening of the Moldovan leu during the winter holidays. Fewer inflows of foreign currency, as compared to the Dec:12 made the Central Bank to interfere much less on the domestic FOREX market. As a result, the NBM's international reserves remained almost at the same level, increasing by only 0.2% m-o-m.

Foreign trade. According to official estimates, in 2012 the goods' exports have been only USD 2.162 billion which is 2.5% down from 2011. Imports have been more resilient in 2012, reaching the amount of 5.213 billion, i.e. 0.4% more than one year ago. As a result, the trade deficit reached a new height of USD 3.051 billion, being financed mainly by the migrants' remittances. EU on aggregate remained the main destination for Moldova exports (46.9% of total), while CIS countries had 42.9% of total exports and other countries – 10.2%. Imports have been more diversified, with EU share reaching 44.5% (43.5% in 2011), CIS countries – 31.1% and other countries – 24.4%.

Key trading partners. Some indicators reveal a slightly better economic situation in EU in 2013 as opposed to the previous year; for instance, the costs of borrowing for Italy, Spain and Ireland have declined significantly in mid-February. However, some developments in Russian Federation are the most worrying trends we follow internationally. We mentioned in previous edition of the Real Economy that in Dec:12 the Russia's GDP grew only 2.4% y-o-y; compared to 4.6% in Jan:12. However, in Jan:13 the economic conditions worsened further, with the GDP slowing further down the growth rate to 1.6% y-o-y. The activity slowing down reflects the less tepid consumption, which does not bode well for the Moldovan exporters of the less competitive food and beverages. At the same time, there are growing concerns regarding flight of capital from the Russian economy. Had it had a better investment climate, Moldova could have harnessed this trend by providing investment opportunities to the Russian investors.

Global and regional markets. While the Brent oil topped a local maximum in February (USD 117 / barrel, up from USD 110 / barrel in Jan:13), the prices for grain have lost the up-bent dynamics. The latter comes on the account of easier supply-side concerns due to better weather prospects in key producing countries.

Key policy developments in January 2013

Policy development	EXPERT-GRUP commentary
Feb 1. National Federation of Farmers (NFF), uniting mainly small farmers, declared to be totally dissatisfied of the Regulation on agricultural subsidies for 2013. According to NFF chairman, Valeriu Cosarciuc (former Minister of Agriculture), the Regulation discriminates the small farmers against the corporate agricultural entities.	Agricultural subsidies policy is one of the most contentious issues in Moldovan economic policy. Perceived lack of transparency and equity is a result of arbitrary and opaque decisions adopted by the Ministry of Agriculture regarding subsidies priorities. A framework law on the agricultural subsidies in missing in Moldova.
Feb 2. On January 31 and February 2, NBM issued two official statements about the current issues at Banca de Economii (BEM). It stressed that starting from 2011 the Central Bank sent repeated warnings to the bank's management and state representatives in the Board of Directors about the poor quality of BEM's credit portfolios and its repercussions on its profitability. NBM mentioned that despite these warnings, the bank's management and the Government did not adequately react in order to solve these issues.	BEM has a systemic role given its important share in the system and the highest density of local branches. Any major shock in this bank can easily spill over the rest of system. BEM needs more decisive and comprehensive actions to weather this crisis and avoid any major economic repercussions. Besides actions aimed at bank's recapitalization and cleaning its balance sheet of toxic assets, competent bodies should step in to investigate the management actions and inactions brining the bank in such a difficult situation.
Feb 4. The Chairman of the National Academy of Sciences (NAS), Mr. Gheorghe Duca, presented a R&D policy reforms' package. The package includes proposed legislative measures to enhance integration of the Moldovan science into EU area, increasing efficiency of the research process, enhancing impact of the R&D and improving the human resource training.	The initiative may be interpreted as a preemptive move anticipating the Governmental approval of the Ministry of Economy's Innovation Strategy for up to 2020. The new Strategy is expected to significantly change the rules of game in setting R&D and innovation priorities and to undermine the influence of the NAS on the policy and distribution of financial resources.
Feb 6. A delegation from Russian Duma consisting of high-level representatives of the "United Russia" party participated in an "international conference" organized in Tiraspol on the topic of harmonization of the Transnistrian legislation with the Russian one.	The visit can be seen as a milestone reflecting an open shift in Transnistrian foreign policy, from trying to come to terms with Chisinau regarding the statute of the region, towards full integration into the Customs Union with subsequent international recognition.
Feb 6. The Government discussed and approved during its meeting the draft law on voluntary pensions funds. The law includes a number of clarification and provisions meant to stimulate the development of the private pensions, deepen the financial market in Republic of Moldova, and provide for alternative pension schemes.	In order to create the right incentives and increase the popularity of private pensions, the Tax Code should provide for the tax deductibility for the contributions made to this funds. Perpetuating the current fiscal discrimination of private pensions' against public ones undermines the development of private pensions.
Feb 6. Government did not approve a package of amendments to Penal Code and Contravention Code proposed by the National Commission for Financial Markets meant to make more severe the penalties against the financial crimes. The "divergences table" (which includes proposals and remarks from different stakeholders) is 40 pages. Inter alia, the amendments propose new fines and imprisonment for fraudulently getting bank credits, manipulations on the stocks market, abusive use of information by insiders, unlawful acts depriving the rights of shareholders and other deeds. The Commission has been indicated to improve the package of amendments according to proposals of the Ministry of Economy and Ministry of Justice.	The package of proposed legislative amendments has been conceived to make more costly and risky the attempts of illegal corporate takeovers. In 2011-2012 Moldova has been a scene of many such attempts, some successful, some not. The authors of the corporate hostile takeovers used extensively the loopholes existing in the national legislation and also cooperated with corrupt judges, bailiffs, state registrars, and brokers to take over a number of financial institutions and companies. The fact that the package was not approved is a testimony of the deeply entrenched and influential groups which are not interested in changing the existing situation, as well as of vanishing political will for stopping the phenomenon of corporate takeovers.
Feb 7. The National Bank of Moldova issued the Report on Inflation. The Report forecasts that in the next two years inflation will remain at 5% (±1.5 p.p.). The contribution of the food in prices variation is expected to decline, while that of administratively regulated prices to slightly increase towards the end of 2014.	The relatively wide inflation target set by the National Bank of Moldova reveals the high uncertainties influencing Moldova both from the outside (economic recession in EU) and domestically (unclear impact of the drought, uncertainties related to regulation of tariffs and prices by administrative decisions).
Feb 13. Prime-Minister of Republic of Moldova Mr. Vlad Filat made a public statement in which he said that his	The move triggered the deepest political crisis since 2009. Apparently, the Liberal-Democratic Party decided

Policy development	EXPERT-GRUP commentary
Liberal-Democrat Party denounces the Agreement on creation of the Alliance for European Integration and called the other two partners – the Liberal Party and the Democratic Party – to renegotiate the Agreement. Prime-Minister invoked the need for the Parliament to renew its confidence vote for the Government and for resetting the Alliance "which fell victim of vested interests, mafia and criminal elements". Among the key conditions Prime-Minister demanded are: ministries to subordinate to the Prime-Minister and not to parties leaders, removing justice institutions from political influence, punishing those responsible for hiding the incidental homicide that occurred during a VIP-hunting on 23 of December 2012, stopping the media-attacks on the "Banca de Economii", demonopolization and depolitization of the media, investigating the management of public property in key sectors (telecommunications, trade in ferrous metals, energy) and excluding any form of corrupting electors.	to use the hunting incident and make public the confrontation taking place behind the curtains for a longer period of time between Prime-Minister Filat and deputy-Speaker of the Parliament Vladimir Plahotniuc. Mr. Plahotniuc lost his post the next days after Prime-Minister statement. Penal cases against Liberal-Democracts ministers have been reactivated shortly after, while the head of the Tax Office was arrested for allegations of corruption and influence peddling. While the Democrat Party demanded the Prime-Minister Filat to resign as precondition for renegotiating the coalition agreement, we do not believe this scenario will play out. More likely is a permanent standoff, with relations between the coalition parties remaining cool and accompanied by a low-intensity public spat, but without the Parliament dismissing the Government in order to avoid snap elections. The political crisis reveals the fundamental weaknesses of the Moldovan political system and heavy risks it purports for democracy.
Feb 16. An order was issued by the Prime-Minister Vlad Filat calling for "ensuring a normal activity of all governmental authorities and subordinated institutions". The same day, the Prime Minister had a working meeting with Minister of Interior, Minister of Foreign Affairs and European Integration and Minister of Finance, all nominated by the Liberal-Democrat Party.	We see these intriguing actions as part of the broader political war that triggered by denunciation of the coalition agreement by Liberal-Democrats. We suspect that Prime-Minister had information about some subversive moves arranged by exponents of his former political allies in order to sabotage from within the functioning of the Government ("a silent coup-d'etat").
Feb 20. According to information presented during the Cabinet Meeting, in 2012 the Government Activity Plan was implemented only in proportion of 38%. Some Ministries have an ever lower performance, below 20%. All ministries have been indicated to prepare in one week time period plans for addressing the shortcomings.	These figures are underline the magnitude of the gap Moldovan government has to close in order to fulfill the reforms promised domestically and internationally (to EU). However, this frank self-assessment comes a bit late, as such decisive exercises were necessary starting back in 2011.
Feb 20. The Government approved a decision to support the implementation of the Law no.131 of 8 of June 2012 regarding the state control on the entrepreneurial activity. According to the decision, the State Controls Register will be set up in electronic form to ensure inter-operability of different state control bodies and to help supervise the activity of the state control bodies. The Register is supposed to be implemented by 31 of October 2013.	Activity of the state control bodies is a hot topic in Moldova. In 2012 companies started complaining of the too intrusive state control bodies, which hinder economic activity and create conditions for corruption. Diminishing the pressure from the part of the state control bodies was one of the key promises of all political parties composing the Alliance for European Integration. Its fulfillment is fully conditional on the political stability.
Feb 21. "Banca de Economii has to be sold to a strategic investor" declared Mr. Dorin Dragutan, Governor of the National Bank of Moldova during Parliamentary hearings on the situation of the Banca de Economii. Governor also declared that members of the Board and of the Executive Management have to be professionals able to reorganize the bank and to regain the trust of the clients. The hearings revealed that there is no clear plan for intervention to settle the crisis in the Banca de Economii.	EXPERT-GRUP pleaded in the recent two years for the privatization of the "Banca de Economii" as the only good solution to improve its situation. However, the statement is very important also for the reason that it reveals the uneasy dialogue the National Bank has with the Government. It also underlines the risks related to the changes recently proposed to the Bank management, including by introducing a representative of the Government in the to-be-created Supervisory Board.
Feb 26. Following some seesaw decisions of the Parliament, the Parliamentary Special Committee for investigation of the "Banca de Economii" situation began its activity. The Committee is mandated to investigate the functioning of the entire banking system.	Considering that the Committee is dominated by representatives of two political parties directly responsible for the current situation of the "Banca de Economii", we interpret this move as a political farce with no practical consequences.

Statistical annex

Table 1. Key Monthly Indicators

Indicator	Feb:12	Mar:12	Apr:12	May:12	Jun:12	Jul:12	Aug:12	Sep:12	Oct:12	Nov:12	Dec:12	Jan:13
Industrial production, y-o-y, % ch.	-1.5	-4.0	-2.4	10.6	0.2	1.0	-5.2	-10.7	-6.0	-7.9	-3.1	n.a.
Retail trade, y-o-y, % ch.	3.6	1.5	-3.5	0.5	0.2	1.6	1.9	-1.2	4.3	-2.6	-12.4	n.a.
Services to the population, y-o-y, % ch.	-3.3	4.6	9.5	8.6	2.0	2.6	3.7	2.5	-1.8	3.5	-1.2	n.a.
Exports of goods, y-o-y, % change	-1.9	11.9	3.3	1.7	3.7	-9.9	-15.8	2.4	-0.4	-11.0	-14.1	n.a.
Import of goods, y-o-y, % change	9.3	4.1	1.3	-2.2	-3.7	0.4	-3.3	-7.1	6.2	-3.4	-5.7	n.a.
Official reserve assets, million USD	2090.9	2073.6	2114.0	2043.0	2059.0	2094.3	2231.6	2326.8	2421.5	2422.4	2515.0	2519.7
Freighted cargo, y-o-y, % ch.	-35.9	-27.3	0.3	24.0	23.9	23.1	-11.5	-16.2	13.9	1.4	-18.6	n.a.
Registered unemployed at NEA (e-o-p)	40355	40300	38477	34803	31722	29412	27243	25552	24609	25586	26297	n.a.
Real salary, y-o-y, % ch.	3.7	4.1	2.1	4.2	6.1	5.4	5.7	3.2	6.0	5.3	4.9	n.a.
Budgetary revenues, y-o-y, % ch. *	5.3	7.5	13.8	14.0	12.3	16.1	14.5	12.7	13.3	14.1	11.2	9.5
CPI, y-o-y, %	6.1	5.4	4.7	4.1	3.7	4.0	4.4	4.9	3.9	3.7	4.1	4.6
IPPI, y-o-y, %	6.6.	6.5	5.8	5.7	6.0	5.0	4.8	5.3	5.0	4.1	4.5	10.4
Nominal exchange rate MDL/USD (e-o-p)	11.8	11.81	11.78	12.00	12.26	12.54	12.47	12.39	12.27	12.37	12.06	12.10
Money transfers from abroad, y-o-y, % ch.	7.5	-1.6	-4.2	10.6	-7.4	4.5	3.7	-5.8	23.6	3.6	-0.9	n.a.
M2 monetary aggregate, y-o-y, % ch	15.86	13.1	12.0	11.3	11.8	14.1	18.2	21.4	20.8	23.7	27.2	n.a
NBM base interest rate, %	13.2	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Banks deposits interest rate, % (e-o-p)	6.5	7.32	7.23	7.5	7.59	7.40	7.15	7.94	7.72	7.96	8.44	8.55
Banks credits interest rate, %	8.04	14.05	14.25	13.98	13.69	13.38	12.82	12.58	13.0	12.68	11.98	12.41
Non-performing loans, % of total	13.9	13.2	13.6	14.7	15.3	15.2	15.3	14.5	14.4	14.7	14.5	n.a.

Source: NBS, NBM, calculations and estimates EXPERT-GRUP;

Table 2. Key Quarterly Indicators

Indicator	Q1:11	Q2:11	Q3:11	Q4:11	Q1:12	Q2:12	Q3:12	Q4:12
Real GDP growth, % y-o-y *	8.4	7.5	6.7	6.4	1.0	0.8	-0.2	-0.7(e)
Agricultural production, y-o-y, % ch.*	8.3	3.9	3.7	4.6	0.6	-2.1	-21.6	-22.4
Construction works f-a-p, % ch.*	4.0	12.9	3.1	1.4	4.9	3.6	0.8	-1.3
Fixed capital investment, y-o-y, % ch.*	132.0	131.8	111.3	109.3	95.4	-0.6	-0.7	-4.1
Net FDI flows, y-o-y, % change	25.8	100	-1.8	33.3	-51.3	-26.3	-68.2	n.a.
Unemployment rate, %	9.4	6.2	5.3	6.2	7.2	4.5	4.8	5.5(e)
Employment rate, %	34.6	41.9	42.9	38.4	34.3	40.5	41.1	38.5(e)

*Note: * - cumulative; (e) – estimate;*

Source: NBS, NBM, calculations and estimates EXPERT-GRUP;